

AR48





# General Information

## The Company

Cominco is a Canadian company, incorporated January 9, 1906, with international operations whose principal business is zinc, lead and chemical fertilizers. Its involvement is fully integrated and ranges from mineral exploration through mining, smelting, refining and by-product production to international marketing. It also embraces related services including trade, wharfrage and power. With head office in Vancouver, it is involved, directly or through subsidiary or associated companies, in Canada and in the United States, Greenland, Europe, Australia, India and Japan.

## Annual Meeting

Thursday, April 19, 1979  
at 11:00 a.m.  
Hotel Vancouver  
Vancouver, B.C.

## Share Valuation

For Canadian capital gain tax purposes the valuation day value of Cominco Ltd. shares on December 22, 1971 as established by the Department of National Revenue was \$22.88.

## In this report:

Tonnage figures are in short tons unless otherwise noted.

Dollars are Canadian unless otherwise noted.

## Transfer Agents and Registrars

### THE ROYAL TRUST COMPANY

555 Burrard Street,  
Vancouver, B.C. V6B 3R7  
600 - 7th Avenue S.W.,  
Calgary, Alberta T2P 0Y6  
\*287 Broadway Avenue,  
Winnipeg, Manitoba R3C 2M2  
Toronto Dominion Centre,  
Toronto, Ontario M5W 1P9  
630 Dorchester Blvd. W.,  
Montreal, Quebec H3B 1S6

\*\*One King Street,  
St. John, N.B. E2L 1G1

### BANK OF MONTREAL TRUST COMPANY

\*\*2 Wall Street, New York, N.Y. 10005

## STOCK EXCHANGES

CANADA - Vancouver, Montreal, Toronto  
U.S.A. - \*\*American

\*Series A Preferred Shares Only

\*\*Common Shares Only

## Stock Holdings

The number of registered holdings of voting stock at the last dividend record date was 27,343.

The distribution of the voting rights was as follows:

|                 |         |
|-----------------|---------|
| Canada          | 96.77%  |
| United States   | 2.48%   |
| United Kingdom  | 0.17%   |
| Other countries | 0.58%   |
|                 | 100.00% |

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COMINCO LTD.

### Notice of Annual Meeting of Shareholders

The annual meeting of the shareholders of Cominco Ltd. will be held on Thursday, April 19, 1979 at the hour of 11:00 in the forenoon (Vancouver Time) in the Columbia Room, Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia, for the following purposes:

- a. to receive the Report of the Directors, accompanying Consolidated Financial Statements, and the report of the Auditors thereon for the fiscal year ended December 31, 1978;
- b. to elect directors;
- c. to appoint auditors and to authorize the Directors to fix the auditors' remuneration; and
- d. to transact such other business as may properly come before the meeting.

By resolution of the Directors, proxies to be used at the meeting must be deposited at the head office of the Company, 200 Granville Street, Vancouver, British Columbia, V6C 2R2, or with its agent, The Royal Trust Company, 555 Burrard Street, Vancouver, British Columbia, V6B 3R7, before the hour of 11:00 in the forenoon (Vancouver Time) on April 17, 1979.

By order of the Board  
P. C. STEWART, *Secretary*

Note: If you are unable to attend the meeting in person please complete and mail the enclosed form of proxy.

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### Information Circular

#### Solicitation of Proxies

This information circular is furnished in connection with **the solicitation of proxies by mail by the management of Cominco Ltd.** (the "Company") at the cost of the Company for use at the above mentioned meeting.

#### Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors of the Company. **A shareholder has the right to appoint some other person to represent him at the meeting.** If a shareholder wishes to designate as his nominee some person other than the persons named in the form of proxy, their names should be struck out and the name of the nominee inserted in the blank space.

A shareholder giving the proxy may revoke it by an instrument in writing executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting or any adjournment thereof at which the proxy is to be used or with the chairman of such meeting on the day of the meeting or any adjournment thereof.

#### Voting of Proxies

Shares represented by properly executed proxies will be voted or withheld from voting on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will be voted in accordance with the specification so made. **Such shares will be voted in favour of the named nominees as Directors and in favour of any other matter for which no specification has been made.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the meeting. At the date of this information circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

### Voting Shares and Principal Holders Thereof

Every holder of common shares registered on the books of the Company at the time of the meeting will be entitled to attend the meeting or any adjournment thereof and to give one vote for each common share held by him in person or by proxy, whether or not the person designated as a proxy is himself a shareholder.

At the date hereof 16,999,353 common shares without par value of the Company were issued and outstanding as fully paid and non-assessable. Canadian Pacific Investments Limited, a subsidiary of Canadian Pacific Limited, is the beneficial owner of record of more than 10% of the outstanding common shares of the Company, and owns 9,163,775 shares or 54% as at the date hereof.

### Election of Directors

At the meeting eight directors are to be elected, each to hold office for a term of two years or until his successor is elected or appointed. In the event that prior to the meeting any vacancies occur in the slate of nominees hereinafter named, the person or persons named in the form of proxy shall have the right to vote for the election of any other person or persons as directors. The management is not presently aware that any of such nominees would be unwilling to serve as director if elected.

### Information concerning Nominees as Directors whose term of office will expire at the Annual Meeting in 1981

| Name and Office held in Company        | Principal occupation or employment and major offices in significant affiliates   | Director since | Approximate number of shares of the Company (a) common, (b) preferred and of Canadian Pacific Investments Limited (c) common, (d) preferred beneficially owned |                   |
|--|--|----------------|--|-------------------|
|  |  |                | (a)  | (b)               |
| W. J. Bennett                          | Consultant, Iron Ore Company of Canada; Director, Canadian Pacific Limited   | 1967           | (a)  | 100               |
| H. C. Bentall                          | Chairman and Chief Executive Officer, The Dominion Construction Co. Ltd.   | 1969           | (a)  | 100               |
| R. W. Campbell                         | Chairman and Chief Executive Officer, PanCanadian Petroleum Limited; Director, Canadian Pacific Investments Limited, and Fording Coal Limited            | 1977           | (a)<br>(c)   | 100<br>200        |
| H. T. Fargey, Executive Vice-President | Executive Vice-President, Cominco Ltd.; Director, Pine Point Mines Limited   | 1973           | (a)  | 288               |
| R. A. MacKimmie, Q.C.                  | Partner in the law firm of MacKimmie Matthews; Director, Pine Point Mines Limited  | 1969           | (a)<br>(b)<br>(d)  | 100<br>200<br>600 |
| D. R. McMaster, Q.C.                   | Partner in the law firm of McMaster Meighen  | 1962           | (a)<br>(c)   | 1,500<br>750      |
| P. A. Nepveu*                          | Vice-President, Finance and Accounting, Canadian Pacific Limited and Canadian Pacific Investments Limited; Director, Canadian Pacific Securities Limited | —              | (a)<br>(c)   | 100<br>550        |
| I. D. Sinclair, Q.C., Vice-President   | Chairman and Chief Executive Officer, Canadian Pacific Limited and Canadian Pacific Investments Limited; Director, Canadian Pacific Securities Limited   | 1967           | (a)<br>(c)   | 100<br>30,000     |

\*Paul A. Nepveu has been Vice-President, Finance and Accounting, Canadian Pacific Limited and Canadian Pacific Investments Limited since August, 1973.



# Information concerning Directors whose term of office will expire at the Annual Meeting in 1980

| Name and Office held in Company                       | Principal occupation or employment and major offices in significant affiliates  | Director since | Approximate number of shares of the Company<br>(a) common, (b) preferred and of Canadian Pacific Investments Limited<br>(c) common, (d) preferred beneficially owned |       |
|---|---|----------------|--|-------|
|   |   |                | (a)  | (b)   |
| M. N. Anderson, President and Chief Operating Officer | President and Chief Operating Officer, Cominco Ltd.; Director, Fording Coal Limited, West Kootenay Power and Light Company, Limited, Cominco American Incorporated and Pine Point Mines Limited   | 1978           | (a)  | 252   |
| F. S. Burbidge  | President, Canadian Pacific Limited; Director, Canadian Pacific Investments Limited   | 1970           | (a)  | 100   |
| F. E. Burnet, Chairman of the Executive Committee     | Chairman of the Executive Committee, Cominco Ltd.; Director, Canadian Pacific Investments Limited and Cominco American Incorporated   | 1971           | (a)  | 1,988 |
| G. H. D. Hobbs, Chairman of the Company               | Chairman of the Company, Cominco Ltd.; Chairman, West Kootenay Power and Light Company, Limited; Director, Cominco American Incorporated, Pine Point Mines Limited, Vestgron Mines Limited and West Kootenay Power and Light Company, Limited | 1972           | (a)  | 3,500 |
| S. E. Nixon   | Corporate Director and Financial Consultant; Director, Canadian Pacific Investments Limited   | 1966           | (a)  | 100   |
| W. J. Stenason  | Executive Vice-President, Canadian Pacific Investments Limited; Director, Canadian Pacific Securities Limited and Fording Coal Limited  | 1972           | (a)  | 405   |
|   |   |                | (c)  | 200   |

Note: 1. The information as to common shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.

## Remuneration of Management and Others, Paid or Payable in 1978

### FORM 4 STATEMENT

#### DIRECTORS' AND OFFICERS' REMUNERATION FROM THE CORPORATION AND ITS SUBSIDIARIES

#### SUB PARAGRAPH 33 (r) (v) OF THE CANADA CORPORATIONS ACT REGULATIONS

### REMUNERATION OF DIRECTORS

#### NATURE OF REMUNERATION EARNED

(A) Number of directors: 14\*

(B) *Body Corporate incurring the expense*  
Cominco Ltd.  
Pine Point Mines Limited

| Directors' fees | Salaries | Bonuses | Non-accountable expense all | Others (note 1) | Total     |
|-----------------|----------|---------|-----------------------------|-----------------|-----------|
| \$ 75,325       | 0        | 0       | 0                           | 0               | \$ 75,325 |
| 2,300           | 0        | 0       | 0                           | 0               | 2,300     |

### REMUNERATION OF OFFICERS

(A) Number of officers: 15†

(B) *Body Corporate incurring the expense*

Cominco Ltd.  
Cominco American Incorporated  
Hawaiian Western Steel Limited  
Pacific Coast Terminals Co. Ltd.  
Pine Point Mines Limited  
Vestgron Mines Limited  
Western Canada Steel Limited  
West Kootenay Power and Light Company, Limited  
Miscellaneous

|               |                  |                    |          |          |                    |
|---------------|------------------|--------------------|----------|----------|--------------------|
| 16,200        | 1,172,978        | 0                  | 0        | 19,310   | 1,208,488          |
| 10,875        | 0                | 0                  | 0        | 0        | 10,875             |
| 3,100         | 0                | 0                  | 0        | 0        | 3,100              |
| 3,700         | 0                | 0                  | 0        | 0        | 3,700              |
| 13,706        | 0                | 0                  | 0        | 0        | 13,706             |
| 4,876         | 0                | 0                  | 0        | 0        | 4,876              |
| 7,900         | 0                | 0                  | 0        | 0        | 7,900              |
| 9,800         | 7,500            | 0                  | 0        | 0        | 17,300             |
| 1,170         | 0                | 0                  | 0        | 0        | 1,170              |
| <b>TOTALS</b> | <b>\$148,952</b> | <b>\$1,180,478</b> | <b>0</b> | <b>0</b> | <b>\$19,310</b>    |
|               |                  |                    |          |          | <b>\$1,348,740</b> |

\*The aggregate remuneration of Directors who were Officers of the Company at any time during the year (5) is included in "Remuneration of Officers."

†At year end the Company had 15 Officers. During the year 4 persons ceased to be Officers and 1 new Officer was appointed. The remuneration to each over \$40,000 while an Officer is included in this section.

Note (1) Company's portion of Employee Stock Purchase Plan.

The Company does not pay bonuses, non-accountable expenses nor any other remuneration to directors or officers other than as specified above.

Estimated aggregate cost to the Company and its subsidiaries of all pension benefits proposed to be paid under any pension or retirement plan upon retirement at normal retirement age by the Company or any of its subsidiaries to directors and officers of the Company — \$126,200.

In 1978 under the Stock Option Plan to full-time employees of the Company or a subsidiary to purchase common shares of Cominco Ltd., grants dated May 1, 1978, to expire April 30, 1983, were made to officers covering 24,375 shares at a purchase price of \$24.41 and options were exercised by officers on 1,300 shares at \$25.42 and 1,000 shares at \$27.45. The price range for each calendar quarter on the Toronto Stock Exchange was: First — \$23.00 to \$29.75; Second — \$25.75 to \$29.375; Third — \$25.75 to \$33.00; Fourth — \$23.00 to \$34.875. No options were granted to or exercised by any director or officer of the Company in respect of options to purchase securities of any affiliated company.

#### **Interest of Management and Others in Material Transactions During the Period January 1, 1978 to the Date Hereof**

The Company has availed itself of a line of credit up to \$30.0 million with Canadian Pacific Securities Limited, an affiliate, but at the date hereof no loans are outstanding.

#### **Appointment and Remuneration of Auditors**

At the annual meeting, the shareholders will be asked to appoint the firm of Thorne, Riddell & Co., the present auditors, who have been the Company's auditors for more than five years, to hold office until the close of the next annual meeting of shareholders and to authorize the Directors to fix the remuneration of the auditors so appointed.

The contents and sending of this circular were approved by the Directors of the Company on March 14, 1979.

P. C. STEWART,  
Secretary





## Highlights — 5 Year

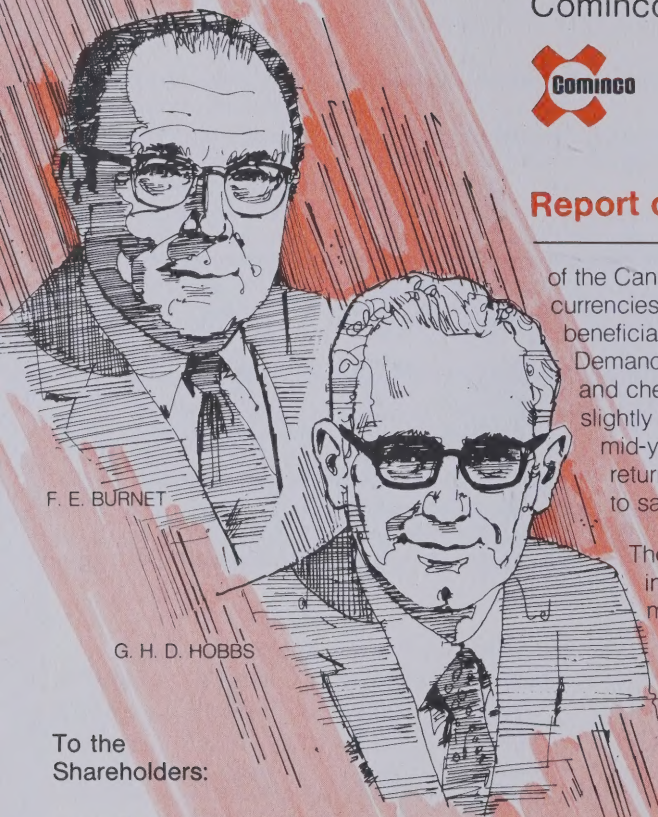
(all dollar amounts in millions except per share figures)

| Operations                                  | 1978                             | 1977                             | 1976                             | 1975                             | 1974                             |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Sales of products and services .....        | \$901.2                          | \$759.2                          | \$675.3                          | \$664.6                          | \$669.1                          |
| Net earnings .....                          | 65.2                             | 62.2                             | 47.7                             | 73.6                             | 86.3                             |
| — per common share .....                    | 3.46                             | 3.43                             | 2.66                             | 4.34                             | 5.08                             |
| Funds from operations .....                 | 139.9                            | 135.6                            | 108.6                            | 146.5                            | 160.6                            |
| — per common share .....                    | 7.85                             | 7.74                             | 6.25                             | 8.63                             | 9.56                             |
| Dividends on common shares .....            | 34.0                             | 39.1                             | 34.0                             | 50.9                             | 50.9                             |
| — per common share .....                    | 2.00                             | 2.30                             | 2.00                             | 3.00                             | 3.00                             |
| Capital expenditures .....                  | 87.4                             | 80.8                             | 139.8                            | 121.8                            | 59.1                             |
| <b>Financial Position</b>                   |                                  |                                  |                                  |                                  |                                  |
| Assets:                                     |                                  |                                  |                                  |                                  |                                  |
| Working Capital .....                       | \$200.6                          | \$158.2                          | \$202.2                          | \$199.1                          | \$160.4                          |
| Fixed assets (net) .....                    | 564.3                            | 556.9                            | 532.4                            | 442.2                            | 370.3                            |
| Investments and other assets .....          | 161.0                            | 151.6                            | 104.5                            | 91.2                             | 83.4                             |
|   | <u>\$925.9</u>                   | <u>\$866.7</u>                   | <u>\$839.1</u>                   | <u>\$732.5</u>                   | <u>\$614.1</u>                   |
| Represented by:                             |                                  |                                  |                                  |                                  |                                  |
| Long-term debt .....                        | \$234.9                          | \$249.5                          | \$253.5                          | \$212.2                          | \$138.1                          |
| Income taxes not currently payable .....    | 91.6                             | 84.2                             | 73.1                             | 68.7                             | 51.9                             |
| Minority interests .....                    | 42.3                             | 51.3                             | 50.1                             | 49.2                             | 44.8                             |
| Shareholders' equity .....                  | 557.1                            | 481.7                            | 462.4                            | 402.4                            | 379.3                            |
|   | <u>\$925.9</u>                   | <u>\$866.7</u>                   | <u>\$839.1</u>                   | <u>\$732.5</u>                   | <u>\$614.1</u>                   |
| Return on assets .....                      | 9.3%                             | 8.9%                             | 9.1%                             | 14.6%                            | 19.0%                            |
| Return on common shareholders' equity ..... | 12.5%                            | 12.2%                            | 10.9%                            | 18.8%                            | 23.9%                            |
| Market price per common share — High .....  | \$34 <sup>7</sup> / <sub>8</sub> | \$38 <sup>3</sup> / <sub>8</sub> | \$41 <sup>3</sup> / <sub>4</sub> | \$35 <sup>7</sup> / <sub>8</sub> | \$35 <sup>1</sup> / <sub>2</sub> |
| (Toronto Stock Exchange) — Low .....        | \$23                             | \$27 <sup>5</sup> / <sub>8</sub> | \$32 <sup>7</sup> / <sub>8</sub> | \$24 <sup>3</sup> / <sub>4</sub> | \$22                             |





## Report of the Directors



F. E. BURNET

G. H. D. HOBBS

### To the Shareholders:

Consolidated net earnings in 1978 were \$65.2 million or \$3.46 per common share compared to \$62.2 million or \$3.43 per common share in 1977. Earnings included an extraordinary profit of \$2.2 million or \$0.13 per common share realized from the sale of real estate by a subsidiary. Dividends paid on common shares totalled \$34.0 million, or \$2.00 per share.

The major expansion and modernization program announced in 1977 for the metallurgical plants at Trail and the Sullivan mine at Kimberley, British Columbia is proceeding on schedule. By the end of 1978 over \$170.0 million had been committed to the work underway on this project.

Base metal markets are recovering from the oversupply situation which has prevailed since early 1975. During the first half of 1978 zinc was in surplus supply and both lead and zinc prices were low. During the second half these markets improved and stronger prices continued into 1979. The charts on page 4 show the price performance over the last two years. The relationship

of the Canadian dollar to other currencies also had a significant beneficial effect on earnings. Demand for most fertilizers and chemicals was firm at slightly improved prices. After mid-year all operations returned to full production to satisfy growing demand.

There are growing indications that governments are increasingly aware that onerous taxation, combined with constantly changing and some times overlapping regulations, has severely restricted the industry's potential economic contribution to the country. We welcome this change in attitude.

The financial results of potash mining in Saskatchewan continued to be disappointing in spite of improved markets and operations, as the high rate of taxation prevented the operation from earning a profit. Several developments concerning the dispute over Saskatchewan's tax system are noteworthy. In 1978 the Supreme Court of Canada ruled that Saskatchewan's prorationing legislation was unconstitutional. Also in 1978, the Court of Queen's Bench upheld the constitutionality of the Province's reserve tax legislation. This decision is being appealed. The provincial government and potash producers are engaged in dialogue to find a reasonable resolution of this long-standing tax dispute.

Early in the year, the Company issued \$50.0 million of Floating Rate Preferred Shares Series C.

At the 1978 Annual Meeting The Honourable James Sinclair, P.C. retired

from the Board of Directors after 12 years of distinguished service. M. N. Anderson was elected to the Board. At the organizational meeting following the Annual Meeting, F. E. Burnet was elected Chairman of the Executive Committee; G. H. D. Hobbs, Chairman of the Company; and M. N. Anderson, President and Chief Operating Officer.

A new management group responsible for all of the Company's interests in Europe, headquartered in London, England and operating under the name "Cominco Europe Limited", was established at mid-year. P. Hansen became Chairman, President and Chief Executive Officer; M. A. Madley, Vice-President, Finance; D. M. Silver, Vice-President, Marketing; and G. D. Tikkanen, Vice-President, Exploration and Operations.

R. R. Stone was appointed Treasurer of the Company. Effective January 1, 1979 K. H. Spurr became Vice-President, Metal Sales. J. F. M. Douglas, Vice-President, Eastern Region, retired at the end of February, 1978 after 40 years of valued service.

The Directors wish to acknowledge the individual and collective contribution of the 10,539 men and women of Cominco Ltd. and its consolidated subsidiaries.

For the Board of Directors

F. E. Burnet

Chairman of the Executive Committee

G. H. D. Hobbs

Chairman of the Company

Vancouver, British Columbia  
March 14, 1979





M. N. ANDERSON

## Report of the President and Chief Operating Officer

### Marketing

Sales of \$901.2 million were the highest in the Company's history and were \$141.9 million greater than in 1977. The increase in revenue was the combined result of changes in volumes of products sold and in realized prices in terms of Canadian dollars. However, net income, and therefore net return on capital, continued at depressed levels.

By mid 1978 the world zinc industry was recovering from the serious oversupply situation of recent years. During the latter part of the year, growing demand and declining inventories brought about increased prices for zinc metal and concentrate. Although demand for refined lead and lead concentrate was stable through the year, supply tightened during the second half due primarily to labour stoppages and to closures of several small mines. Lead prices by the end of the year had risen significantly.

Sales of refined zinc were 254,000 tons and of refined lead were 170,000 tons, compared to 191,000 tons and 185,000 tons respectively for the previous year. Zinc and lead concentrate sales were 376,000 tons compared to 316,000 tons in 1977. Metal and concentrate inventories of zinc and lead were within normal working levels at year end.

Gold and silver prices rose to record high levels in terms of Canadian currency. Sales of gold totalled 130,900 ounces. Silver sales were 10,015,000 ounces.

World consumption of nitrogen, phosphate and potash fertilizers increased during the year. Despite the decreased use of all three nutrients in the United States due to unfavourable weather conditions and low grain prices, the Company's sales in that market improved. Prices for the Company's fertilizers were generally better than in 1977 but still did not provide a satisfactory return on invested capital. Sales of fertilizers and chemicals amounted to 1,791,000 tons compared to 1,413,000 tons in 1977. Sales of potash increased to 859,000 tons from 726,000 tons during the previous year. At year end the Company's fertilizer inventories were below normal levels and demand was strong.

Cominco and five other fertilizer producers have been charged under the Combines Investigation Act (Canada) with respect to alleged unlawful combination to prevent or lessen unduly competition in fertilizers in western Canada. The Company has been advised by its counsel that there is a valid defence to the charge. The trial was in progress at year end.

### Production

Costs of products and services sold were \$559.7 million, an increase of \$100.2 million over 1977. This increase reflects the higher level of sales as well as continuing inflation in costs of materials, natural gas and labour. Costs attributed to increased sales were \$61.8 million and to unit product costs \$38.4 million.

### Metals

In response to market conditions the Company mined lead-zinc ore with a higher than average lead content. Production of lead concentrate was 362,800 tons compared to 301,300 tons during 1977, while zinc concentrate production was reduced slightly to 618,200 tons from 636,700 tons in 1977. The Pine Point mine in the Northwest Territories and the Sullivan mine in British Columbia produced most of the concentrates with the remainder coming from the Magmont mine in Missouri, the Black Angel mine in Greenland and the HB mine in British Columbia prior to its closure in August. The Sullivan and Pine Point mines continued to be the main source of supply of concentrates to the metallurgical operations at Trail, British Columbia. Concentrates from the Magmont mine were treated on a tolling basis in the United States and those from the Black Angel mine were treated by a number of European smelters.

Production of refined zinc was curtailed for the first half of the year due to weak demand. As the market strengthened, however, production was resumed at normal levels. Refined zinc produced for the year was 216,000 tons compared to 223,000 tons in 1977. Total production of refined lead was 175,000 tons, of which 147,000 tons was produced at the Trail metallurgical operations and 28,000 tons at the Magmont mine, where production of refined lead was reduced by a strike at the smelter that treats the concentrates. Production from Magmont not processed at that smelter was sold as concentrates.

Engineering on the Company's major expansion and modernization program is well advanced. This program will increase capacity, raise productivity



# Production and Sales Statistics

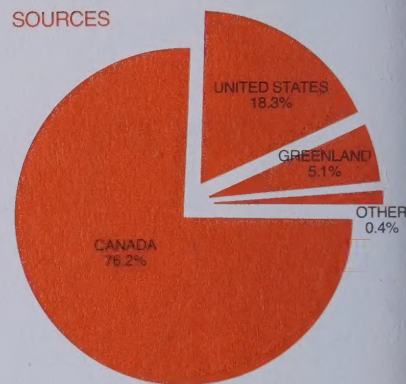
|                                  |        | 1978       |            | 1977      |            |
|----------------------------------|--------|------------|------------|-----------|------------|
|                                  |        | Sales      | Production | Sales     | Production |
| <b>Refined Metal</b>             |        |            |            |           |            |
| Zinc                             | tons   | 254,000    | 216,000    | 191,000   | 223,000    |
| Lead                             |        |            |            |           |            |
| Trail                            | tons   | 143,000    | 147,000    | 152,000   | 150,000    |
| Magmont                          | tons   | 27,000     | 28,000     | 33,000    | 33,000     |
|                                  |        | 170,000    | 175,000    | 185,000   | 183,000    |
| Silver (1)                       | ounces | 10,015,000 | 10,117,000 | 9,284,000 | 9,396,000  |
| Gold                             |        |            |            |           |            |
| Con/Rycon                        | ounces | 112,200    | 114,500    | 93,800    | 92,900     |
| Others                           | ounces | 18,700     | 18,700     | 15,300    | 15,300     |
|                                  |        | 130,900    | 133,200    | 109,100   | 108,200    |
| <b>Concentrates (2)</b>          |        |            |            |           |            |
| Zinc                             |        |            |            |           |            |
| Sullivan                         | tons   | —          | 131,000    | —         | 166,000    |
| H.B.                             | tons   | —          | 16,900     | —         | 24,900     |
| Magmont                          | tons   | 10,500     | 10,300     | 11,400    | 9,800      |
| Pine Point                       | tons   | 90,600     | 302,000    | 46,000    | 290,000    |
| Black Angel                      | tons   | 133,100    | 158,000    | 152,000   | 146,000    |
|                                  |        | 234,200    | 618,200    | 209,400   | 636,700    |
| Lead                             |        |            |            |           |            |
| Sullivan                         | tons   | —          | 150,000    | —         | 118,000    |
| H.B.                             | tons   | —          | 4,300      | —         | 5,300      |
| Magmont                          | tons   | 16,600     | 60,900     | —         | 49,300     |
| Pine Point                       | tons   | 75,900     | 100,000    | 58,100    | 85,200     |
| Black Angel                      | tons   | 49,500     | 47,600     | 48,500    | 43,500     |
|                                  |        | 142,000    | 362,800    | 106,600   | 301,300    |
| <b>Fertilizers and Chemicals</b> |        |            |            |           |            |
| Canada                           | tons   | 1,328,000  | 1,294,000  | 975,000   | 990,000    |
| United States                    | tons   | 463,000    | 464,000    | 438,000   | 494,000    |
|                                  |        | 1,791,000  | 1,758,000  | 1,413,000 | 1,484,000  |
| Potash                           | tons   | 859,000    | 878,000    | 726,000   | 707,000    |

(1) Includes silver sold in concentrates and intermediate products.

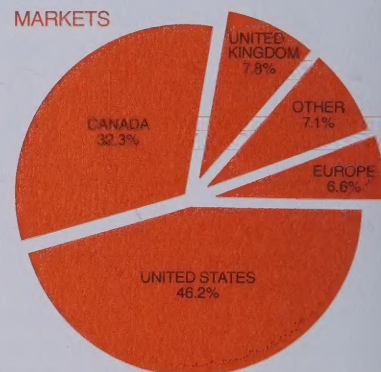
(2) Sales tonnages exclude concentrates processed at Trail.

# Sales — Sources and Markets

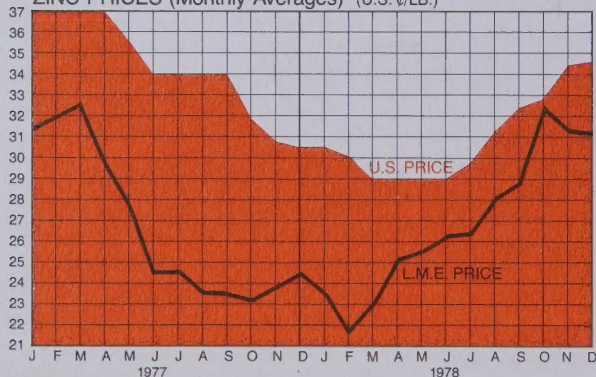
## SOURCES



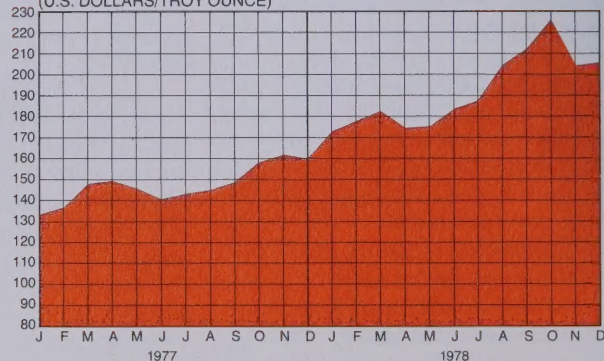
## MARKETS



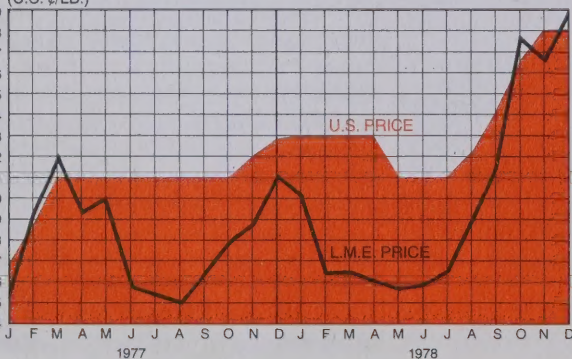
## ZINC PRICES (Monthly Averages) (U.S. \$/LB.)



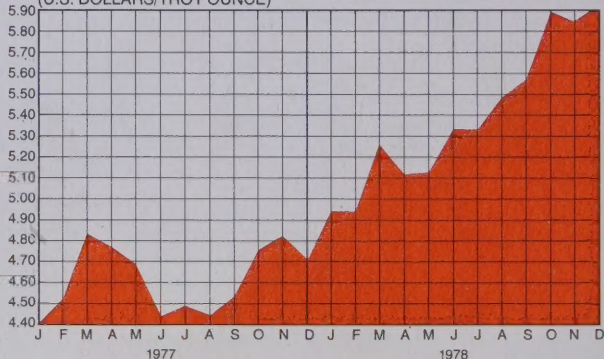
## LONDON GOLD PRICE (Monthly Averages) (U.S. DOLLARS/TROY OUNCE)



## LEAD PRICES (Monthly Averages) (U.S. \$/LB.)



## U.S.A. SILVER PRICE (N.Y.) (Monthly Averages) (U.S. DOLLARS/TROY OUNCE)





and improve environmental conditions at the Trail metallurgical plants and at the Sullivan mine at Kimberley. When the program is completed the annual capacity of refined zinc will be 300,000 tons and of refined lead 200,000 tons.

Considerable progress was made during the year on a number of new production facilities.

- Construction of the new feed plant for the lead smelter was well advanced with commissioning scheduled for 1979.
- A new continuous lead bullion drossing furnace, an integral part of the lead refining process to remove impurities from the metal, was completed.
- The first phase of the design and construction program for the zinc refinery proceeded on schedule. This program includes a new electrolytic and melting facility and a new zinc pressure-leaching

plant. The latter facility will be the first commercial scale application of the hydrometallurgical "S.C. Process" that was successfully piloted during 1977 in a joint venture with Sherritt Gordon.

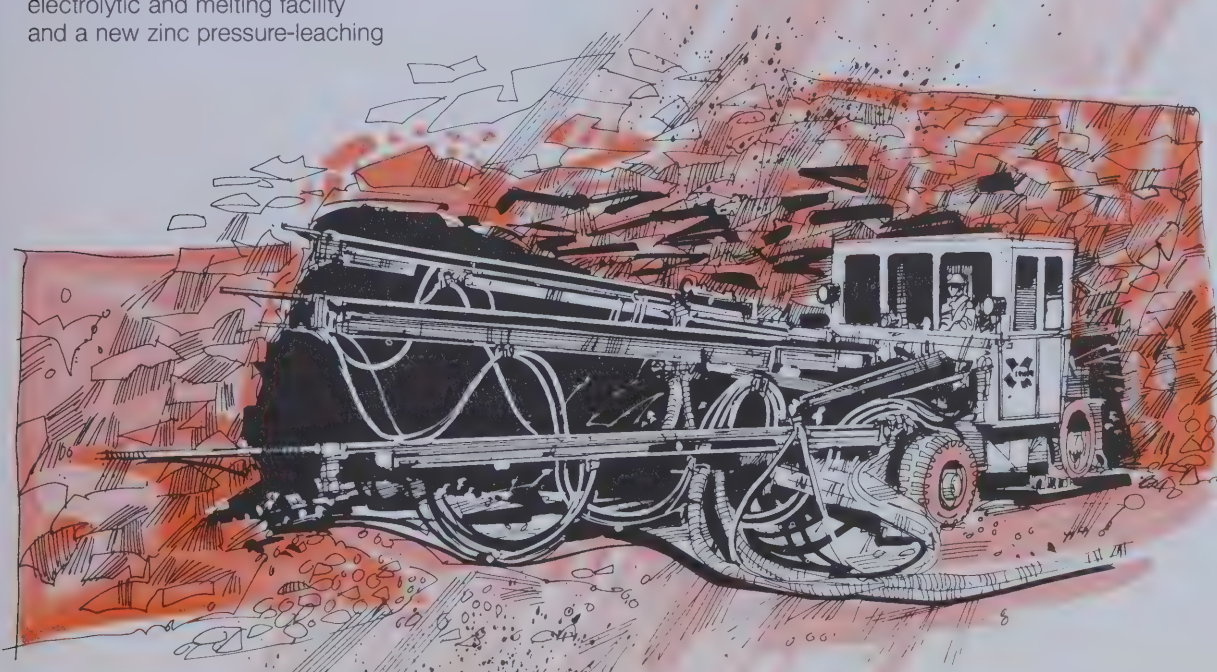
- At the Sullivan mine the implementation of mechanized mining progressed to the production stage.

Further applications of the most advanced environmental control technology were made at the Trail and Kimberley operations. At Trail, a ventilation project for the lead refinery was completed. Design and construction commenced on major effluent control projects, including a new gas scrubbing system for the lead smelter and a facility to remove contaminants from the

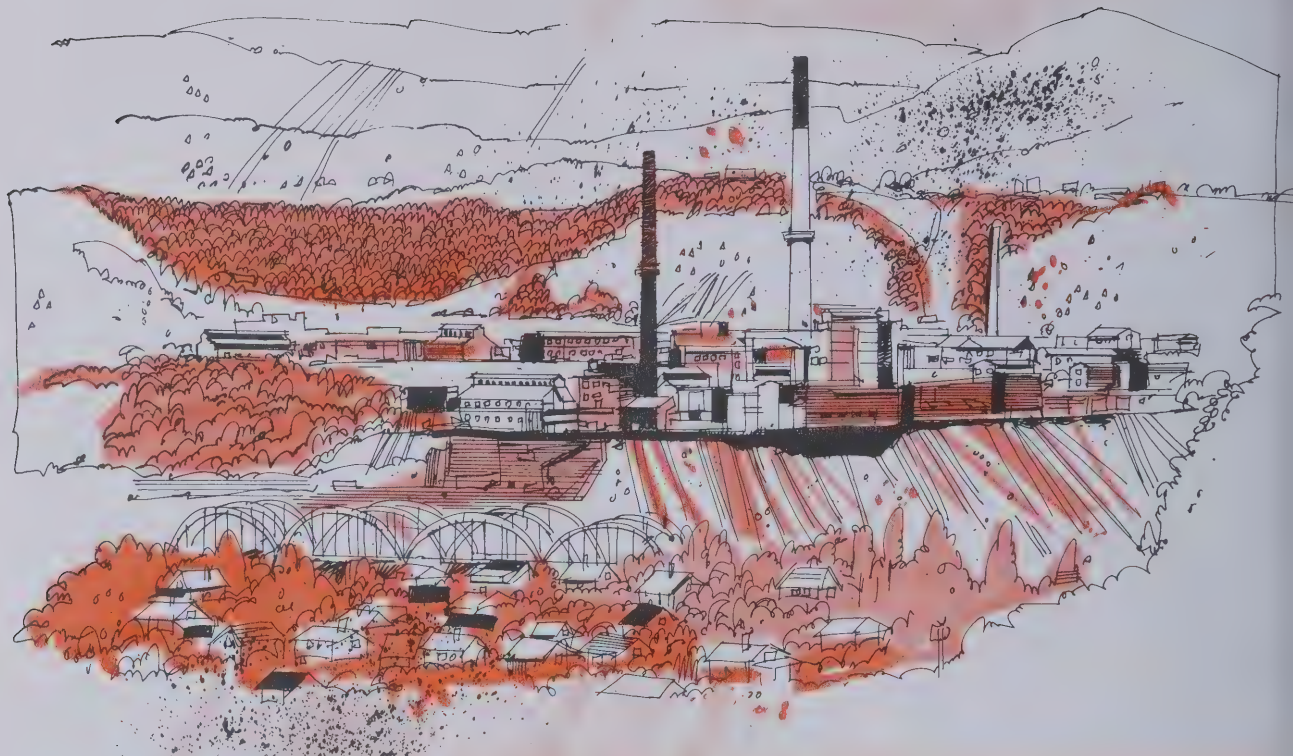
metallurgical plant process water. At Kimberley, construction of the waste water treatment plant progressed well and is scheduled to be completed in 1979.

At Pine Point construction of a new 30 cubic yard walking dragline began in May and will be completed early in 1979. When operational, this equipment will increase production flexibility and reduce the cost of overburden removal.

Total gold production was 133,200 ounces, a 23 percent increase from the previous year. The newly expanded facilities of the Con operations at Yellowknife produced 114,500 ounces of gold compared to 92,900 ounces in 1977. The Con mine celebrated its 40th anniversary in September.







## Fertilizers and Chemicals

The Company's fertilizer and chemical operations in Alberta and British Columbia and Cominco American's operations in the United States together manufactured 1,758,000 tons of product compared to 1,484,000 tons in 1977. The increased production came largely from the fertilizer complex at Carseland, Alberta, which completed its first full year of operation. The Carseland plant produced 398,300 tons of ammonia and 456,200 tons of urea compared to 251,500 tons and 207,900 tons respectively in 1977. Part of the ammonia was used in the production of urea.

In British Columbia, fertilizer and chemical production at Trail was 363,900 tons compared to 380,700 tons in 1977, and at Kimberley 207,600 tons compared to 177,800 tons.

The Borger, Texas plant of Cominco American produced 388,100 tons of ammonia compared to 393,400 tons in 1977. A portion of this ammonia was converted at the Beatrice, Nebraska plant to 134,500 tons of ammonium nitrate compared to 179,600 in 1977. Construction will start in 1979 on

## Ore Reserves

| Measured and Indicated<br>(thousands)              |                          | 1978          |                              | 1977          |                              |
|--|--------------------------|---------------|------------------------------|---------------|------------------------------|
|  |                          | Ore<br>(tons) | Mineral<br>Content<br>(tons) | Ore<br>(tons) | Mineral<br>Content<br>(tons) |
| <b>Zinc-Lead</b>                                   |                          |               |                              |               |                              |
| B.C.   | Sullivan/HB              | 56,000        | 5,900                        | 55,000        | 6,100                        |
| N.W.T.   | Pine Point               | 37,000        | 2,600                        | 37,000        | 2,800                        |
| U.S.A.   | Magmont                  | 7,000         | 650                          | 8,200         | 710                          |
| Greenland  | Black Angel              | 3,400         | 630                          | 3,900         | 670                          |
| Spain  | Rubiales                 | 13,500        | 1,210                        | 13,500        | 1,140                        |
| <b>Gold</b>  |                          |               | (ozs.)                       |               | (ozs.)                       |
| N.W.T.   | Con/Rycon                | 1,650         | 940                          | 1,630         | 930                          |
| <b>Mercury</b>                                     |                          |               | (flasks)                     |               | (flasks)                     |
| B.C.   | Pinchi Lake              | 1,200         | 98                           | 1,200         | 98                           |
| <b>Tin</b>   |                          |               | (tons)                       |               | (tons)                       |
| Australia  | Aberfoyle                | 2,900         | 18                           | 4,200         | 28                           |
| <b>Phosphate Rock (P<sub>2</sub>O<sub>5</sub>)</b> |                          |               | (tons)                       |               | (tons)                       |
| U.S.A.   | Warm Springs/<br>Douglas | 19,000        | 5,900                        | 19,000        | 5,900                        |
| <b>Coal (Clean)</b>                                |                          |               | (tons)                       |               | (tons)                       |
| B.C.   | Fording                  |               | 63,000                       |               | 65,000                       |
| Alta./Sask.  | Fording                  |               | 1,812,000                    |               | 1,800,000                    |
| <b>Potash (K<sub>2</sub>O)</b>                     |                          |               | (tons)                       |               | (tons)                       |
| Sask.  | Vade                     | 108,000       | 28,400                       | 110,000       | 29,000                       |
| <b>Potential</b><br>(thousands)                    |                          |               |                              |               |                              |
| <b>Zinc-Lead</b>                                   |                          |               | (tons)                       |               | (tons)                       |
| N.W.T.   | Polaris                  | 25,000        | 4,700                        | 25,000        | 4,700                        |
| Tasmania   | Que River                | 6,800         | 880                          | 6,800         | 800                          |
| Spain  | La Troya                 | 5,500         | 650                          | 5,500         | 650                          |
| <b>Copper</b>                                      |                          |               | (tons)                       |               | (tons)                       |
| B.C.   | Valley Copper            | 800,000       | 3,800                        | 800,000       | 3,800                        |



the 85,000 ton-per-year urea plant adjacent to the Borger ammonia facility.

The Vade mine near Saskatoon, Saskatchewan produced a record 878,000 tons of potash compared to 707,000 tons in the previous year.

### Other Products

Western Canada Steel, whose plants in Vancouver and Calgary produce rolled steel products, operated close to capacity. An increased sales volume at improved prices enabled this company to operate at more efficient

levels. At year end it acquired a scrap steel shredding plant in Richmond, British Columbia to enhance the availability of feed for the Vancouver plant.

West Kootenay Power and Light, which serves the south central portion of British Columbia, experienced a load growth of 4.8 percent, increasing the electrical energy supplied by 67 million KWH over the previous year. During the year, 3,000 new customers were added to the system. Capital expenditures of \$5.8 million were made to improve the system and serve the new customers. The B.C. Energy Commission has ordered new rate hearings to be held in 1979 at which time West Kootenay will make application for a rate increase in order to restore its earnings to an equitable level.

### Associated Companies

Associated companies are those in which Cominco owns 50 percent or less of the shares and over which it has significant influence. Associated companies include the following:

|   |     |
|---|-----|
| Aberfoyle Limited (Australia)                                   | 45% |
| The Canada Metal Company Limited (Canada)                       | 50% |
| Cominco Binani Zinc Limited (India)                             | 40% |
| Exploración Minera Internacional España S.A. (Exminesa) (Spain) | 47% |
| Fording Coal Limited (Canada)                                   | 40% |
| Mazak Limited (U.K.)  | 50% |
| Mitsubishi Cominco Smelting Company Limited (Japan)             | 45% |

Earnings from associated companies were \$9.5 million. The principal contribution, \$7.8 million compared to \$4.9 million in 1977, came from Fording Coal Limited, whose sales were 3.1 million tons of metallurgical coal compared to 2.6 million tons in 1977. Fording's production of 3.1 million tons was approximately the same as in 1977. Canada Metal contributed \$1.6

## Producing Mines

| Location                 | Mine                        | Product                       | 1978                   |                       | 1977                   |                       |
|--------------------------|-----------------------------|-------------------------------|------------------------|-----------------------|------------------------|-----------------------|
|                          |                             |                               | Ore<br>(tons)<br>Grade | Concentrate<br>(tons) | Ore<br>(tons)<br>Grade | Concentrate<br>(tons) |
| Zinc-Lead<br>B.C.        | Sullivan                    | Zinc                          | 2,324,000              |                       | 2,419,000              |                       |
|                          |                             | Lead                          | 3.3%<br>4.6%           | 131,000<br>150,000    | 3.8%<br>3.8%           | 166,000<br>118,000    |
|                          | H.B. (Note 1)               | Zinc                          | 223,000                |                       | 394,000                |                       |
|                          |                             | Lead                          | 4.6%<br>0.9%           | 16,900<br>4,300       | 3.9%<br>0.7%           | 24,900<br>5,300       |
| N.W.T.                   | Pine Point                  | Zinc                          | 3,290,000              |                       | 3,443,000              |                       |
|                          |                             | Lead                          | 5.9%<br>2.6%           | 302,000<br>100,000    | 5.3%<br>2.1%           | 290,000<br>85,200     |
| U.S.A.                   | Magmont (Note 2)            | Lead                          | 1,050,000              |                       | 1,094,000              |                       |
|                          |                             | Zinc                          | 8.2%<br>1.6%           | 60,900<br>10,300      | 7.0%<br>1.4%           | 49,300<br>9,800       |
|                          |                             | Copper                        | 0.3%                   | 4,500                 | 0.3%                   | 7,100                 |
| Greenland                | Black Angel                 | Zinc                          | 684,000                |                       | 610,000                |                       |
|                          |                             | Lead                          | 14.5%<br>5.8%          | 158,000<br>47,600     | 15.1%<br>6.1%          | 146,000<br>43,500     |
| Spain                    | Rubiales (Note 3)           | Zinc                          | 335,000                |                       | —                      | —                     |
|                          |                             | Lead                          | 9.2%<br>2.1%           | 46,200<br>8,500       | —<br>—                 | —<br>—                |
| Gold<br>N.W.T.           | Con/Rycon                   | Gold                          | 220,000                |                       | 157,000                |                       |
|                          |                             |                               | 0.55 ozs.              |                       | 0.62 ozs.              |                       |
| Tin<br>Australia         | Aberfoyle/<br>Storeys Creek | Tin                           | 40,000                 |                       | 45,000                 |                       |
|                          |                             | Tungsten                      | 0.4%<br>0.5%           | 160<br>200            | 0.4%<br>0.5%           | 180<br>210            |
|                          |                             |                               | 649,000                |                       | 592,000                |                       |
|                          | Ardlethan                   | Tin                           | 0.4%                   | 3,770                 | 0.3%                   | 2,490                 |
|                          |                             |                               | 428,000                |                       | 434,000                |                       |
|                          | Cleveland                   | Tin                           | 0.5%                   | 2,490                 | 0.7%                   | 2,710                 |
|                          |                             | Copper                        | 0.2%                   | 2,140                 | 0.2%                   | 2,300                 |
| Phosphate Rock<br>U.S.A. | Warm Springs                | P <sub>2</sub> O <sub>5</sub> | 184,000                |                       | 162,000                |                       |
|                          |                             |                               | 28.7%                  |                       | 28.8%                  |                       |
| Coal (Clean)<br>B.C.     | Fording                     | Coal                          | 3,076,000              |                       | 3,051,000              |                       |
| Potash<br>Saskatchewan   | Vade                        | K <sub>2</sub> O              | 2,575,000              |                       | 2,033,000              |                       |
|                          |                             |                               | 25.2%                  |                       | 25.5%                  |                       |

#### Notes:

1. Mine closed in August 1978
2. Concentrate tonnages are Cominco American's 50% share
3. Production from commencement of commercial operations July 1, 1978



million. Aberfoyle, whose operations produced 3,371 tons of tin and 149 tons of tungsten compared to 2,884 tons and 154 tons respectively in 1977, contributed \$1.5 million. (See Note 3 to the Financial Statements.) Exminesa, which reached commercial production on July 1, produced 54,700 tons of zinc and lead concentrates. The Company's share of Exminesa's loss for the year was \$3.3 million, attributable to start-up costs and low zinc prices.

The investment in associated companies is carried on the balance sheet under the caption "Investments". These investments are carried at cost adjusted for the Company's share of earnings, losses and dividends. The assets and liabilities of associated companies are not included in the consolidated accounts. Set out below is a summary of financial information respecting associated companies.

#### Results of Operations for 1978

|   | (thousands)      |
|---|------------------|
| Revenues  | \$384,348        |
| Costs and expenses  | <u>335,879</u>   |
| Earnings before the following                                     | 48,469           |
| Income taxes  | <u>22,516</u>    |
|   | 25,953           |
| Exchange gains on translation<br>of accounts of foreign companies | <u>27</u>        |
| Total net earnings of<br>associated companies                     | <u>\$ 25,980</u> |
| Cominco's share of net earnings                                   | <u>\$ 9,470</u>  |
| Dividends received by Cominco                                     | <u>\$ 6,152</u>  |

#### Financial Position of Associated Companies at December 31, 1978

|  | (thousands)      |
|--|------------------|
| Working capital                          | \$ 5,745         |
| Fixed assets                             | 208,577          |
| Other assets                             | <u>5,561</u>     |
|  | <u>219,883</u>   |
| Less: Income taxes not currently payable | 42,274           |
| Long-term debt                           | 38,994           |
| Other non-current liabilities            | <u>5,784</u>     |
| Net assets                               | <u>\$132,831</u> |
| Cominco's share of net assets            | <u>\$ 57,946</u> |

#### Other Companies

For those companies where Cominco does not exercise significant influence, as defined by the Canadian Institute of Chartered Accountants, the equity method of accounting is not followed. Instead, the investment is carried at cost and only dividends received are included in income. The principal

investments and the Company's share of ownership at December 31, 1978 were:

|  |       |
|--|-------|
| Bethlehem Copper Corporation                     | 39.2% |
| Panarctic Oils Ltd.                              | 8.2%  |
| Tara Exploration and Development Company Limited | 17.4% |

Cominco's proportional share of the earnings of Bethlehem Copper were \$1.7 million and dividends received were \$1.5 million. Panarctic Oils is involved in the search for oil and gas in the Canadian High Arctic and had no earnings. Tara Exploration and Development commenced production on its Navan property in Ireland in 1978. Tara incurred a loss of U.S. \$10.7 million for 1978.





## Exploration

The Company's active exploration program has the dual objective of maintaining adequate reserves at operating mines and of finding and investigating new ore bodies. The 1978 program essentially replaced all ore mined during the year and identified a number of interesting properties in Canada, the United States and Australia, where the mineralization warrants further examination. An underground project at the Que River deposit in Tasmania was completed and has demonstrated a small but good grade deposit. Development opportunities are being pursued. In the Burkesville, Kentucky zinc area, underground work will be completed in 1979. In addition to zinc and lead, increased emphasis is being put on the search for uranium, molybdenum, tungsten, tin and gold.

The 1978 exploration expenditures totalled \$33.9 million including \$4.8 million for associated companies. Of the portion spent by the Company and subsidiaries \$20.8 million was spent to investigate and evaluate exploration properties. These expenditures are

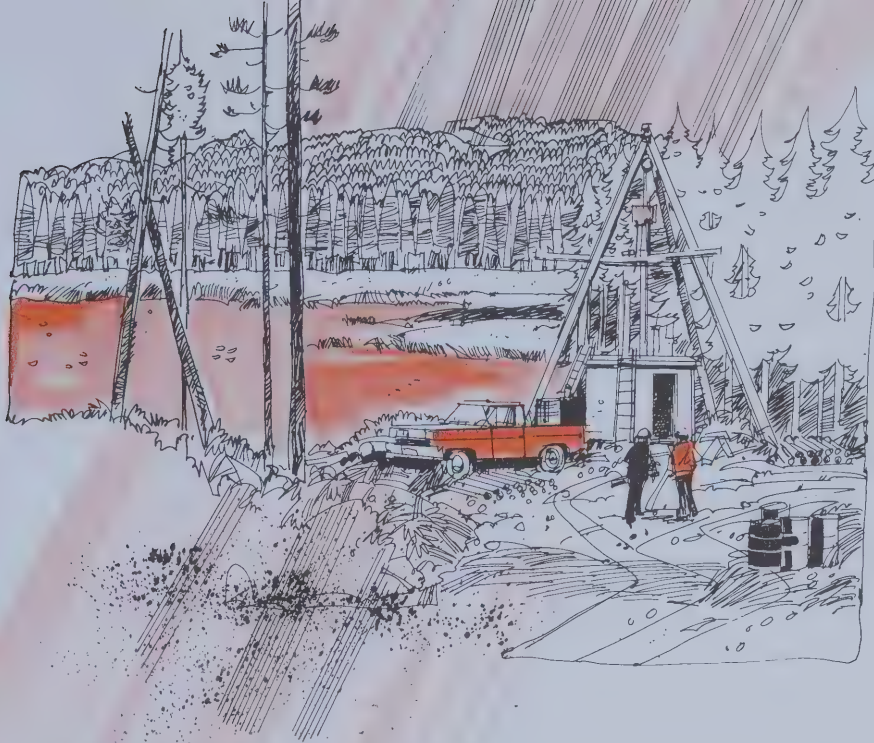
capitalized as investment in mineral properties and development and are amortized against earnings by charges for depletion. The remainder, \$8.3 million, was charged against

earnings in the year, principally as general mineral exploration. A summary of investment in mineral properties and development at December 31, 1978 is set out below:

|   | Cost             | Accumulated Depletion | Carrying Value  |
|---|------------------|-----------------------|-----------------|
|   |                  | (thousands)           |                 |
| Producing properties                        | \$ 71,015        | \$43,286              | \$27,729        |
| Properties awaiting development             | 35,048           | —                     | 35,048          |
| Properties under exploration and evaluation | 65,485           | 31,615                | 33,870          |
|   | <u>\$171,548</u> | <u>\$74,901</u>       | <u>\$96,647</u> |

## Quarterly Earnings in 1978

|  | (millions)     |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 1st            | 2nd            | 3rd            | 4th            | Total          |
| Revenue  | <u>\$180.6</u> | <u>\$282.6</u> | <u>\$186.0</u> | <u>\$259.0</u> | <u>\$908.2</u> |
| Earnings before the following                            | \$ 6.4         | \$ 13.3        | \$ 5.3         | \$ 25.0        | \$ 50.0        |
| Equity in net earnings of associated companies           | 2.5            | 2.9            | 1.1            | 3.0            | 9.5            |
| Gains on translation of accounts of foreign subsidiaries | 0.6            | 0.4            | 0.9            | 1.6            | 3.5            |
| Earnings before extraordinary item                       | 9.5            | 16.6           | 7.3            | 29.6           | 63.0           |
| Extraordinary item                                       | —              | —              | 2.2            | —              | 2.2            |
| Net earnings   | <u>\$ 9.5</u>  | <u>\$ 16.6</u> | <u>\$ 9.5</u>  | <u>\$ 29.6</u> | <u>\$ 65.2</u> |
| Earnings per common share                                |                |                |                |                |                |
| Earnings before extraordinary item                       | <u>\$0.49</u>  | <u>\$0.88</u>  | <u>\$0.33</u>  | <u>\$1.63</u>  | <u>\$3.33</u>  |
| Net earnings   | <u>\$0.49</u>  | <u>\$0.88</u>  | <u>\$0.46</u>  | <u>\$1.63</u>  | <u>\$3.46</u>  |





# Summary of Significant Accounting Policies

The accounts of Cominco Ltd. (the Company) are prepared using generally accepted accounting principles in Canada and on a basis consistent with the previous year. To facilitate review of the consolidated statements contained in this report, the significant accounting policies followed by the Company and its subsidiaries are summarized below.

## Principles of Consolidation

The consolidated financial statements include the accounts of the Company and of its subsidiaries. The differences between the cost of the investments and the underlying book values of the assets at the dates of acquisition have been allocated to fixed assets on consolidation and are being amortized accordingly. Inter-company items and transactions between consolidated companies are eliminated.

Investments in associated companies (those companies in which the Company owns 50% or less of the shares and over which it has significant influence) are accounted for by the equity method. Under this method the Company includes in its earnings its share of the earnings or losses of associated companies. In measuring the Company's share of earnings or losses, amortization of differences between the cost of the investments and underlying book values are taken into account.

## Foreign Currency Translation

The accounts of foreign subsidiaries are translated into Canadian dollars. Accounts included in the consolidated statement of earnings, except product inventories, depreciation and depletion, are translated at the weighted average rates of exchange prevailing during the year. Product inventories, depreciation and depletion are translated

at the rates in effect when the related expenditures are made. Accounts included in the consolidated balance sheet are translated at rates of exchange in effect at the end of the year, except that: a) inventories, investments, fixed assets and accumulated depreciation and depletion are at rates at dates of acquisition; b) deferred income taxes and retained earnings are at rates at date of origin; and c) debts not maturing within one year and share capital are at rates at dates of issue. The resulting translation adjustments are included in the determination of consolidated earnings.

## Inventories

Finished goods, raw materials and partially processed materials are valued generally at the lower of cost (determined on the monthly average method) and net realizable value. Stores and operating supplies are valued at average cost less appropriate allowances for obsolescence.

## Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost and include the cost of renewals and betterments. When assets are sold or abandoned, the recorded costs and related accumulated depreciation are removed from the accounts and any gains or losses are included in earnings. Repairs and maintenance are charged against earnings as incurred.

Depreciation is calculated on the straight-line method using rates based on the estimated service lives of the respective assets. In some integrated mining and manufacturing operations, assets are pooled and depreciated at composite rates. Depreciation is not provided on major additions until commencement of commercial production.

## Mineral Properties and Development

Expenditures on general mineral exploration are charged against earnings as incurred. Expenditures to investigate identified properties and to develop new mines are capitalized as mineral properties and development. Due to the uncertainty of the final outcome, expenditures on investigation together with the cost of certain investments in mineral companies are amortized against earnings by charges for depletion. Abandoned properties are charged against earnings in the year of abandonment. Depletion on operating mines is provided on a units-of-production or on a time basis related to the mineral reserves position.

## Taxes on Income

Income tax laws in Canada and in some other countries permit the deduction of depreciation and other items from income to determine taxable income at times which do not coincide with those used for financial reporting purposes. These differences in timing of deductions result in taxes being provided which are not currently payable.

Withholding taxes, where applicable, on earnings of foreign operations are provided in the accounts to the extent of dividends anticipated in the future.

## Research and Product Development

Research and product development costs are charged against earnings as incurred.

## Earnings per Share

Earnings per common share are calculated by dividing net earnings less preferred dividends paid and accrued, by the average number of shares outstanding during the year.



## Consolidated Statement of Earnings

Year ended December 31, 1978

|  | 1978             | 1977             |
|--|------------------|------------------|
|  | (thousands)      |                  |
| <b>Revenue</b>   |                  |                  |
| Sales of products and services                             | \$901,177        | \$759,242        |
| Income from investments                                    | 7,062            | 6,039            |
|  | <u>908,239</u>   | <u>765,281</u>   |
| <b>Costs and Expenses</b>                                  |                  |                  |
| Cost of products and services                              | 559,739          | 459,543          |
| Distribution   | 97,382           | 67,001           |
| Selling  | 21,180           | 17,925           |
| General and administrative                                 | 30,547           | 26,226           |
| General mineral exploration                                | 6,903            | 10,323           |
| Long-term debt interest and expense                        | 25,534           | 24,964           |
| Depreciation, depletion and amortization                   | 64,659           | 59,174           |
|  | <u>805,944</u>   | <u>665,156</u>   |
| <b>Earnings Before the Following</b>                       | <u>102,295</u>   | <u>100,125</u>   |
| Taxes on income including resource taxes                   |                  |                  |
| Current  | 37,868           | 33,899           |
| Not currently payable                                      | 8,286            | 12,803           |
|  | <u>46,154</u>    | <u>46,702</u>    |
|  | 56,141           | 53,423           |
| Minority interests in net earnings of subsidiary companies | 6,072            | 5,906            |
|  | 50,069           | 47,517           |
| Equity in net earnings of associated companies             | 9,470            | 7,724            |
| Gain on translation of accounts of foreign subsidiaries    | 3,496            | 7,007            |
| <b>Earnings Before Extraordinary Item</b>                  | 63,035           | 62,248           |
| Extraordinary item (Note 7)                                | <u>2,159</u>     | <u>—</u>         |
| <b>Net Earnings</b>  | <u>\$ 65,194</u> | <u>\$ 62,248</u> |
| <b>Earnings Per Common Share</b>                           |                  |                  |
| Earnings before extraordinary item                         | \$ 3.33          | \$ 3.43          |
| Net earnings   | <u>\$ 3.46</u>   | <u>\$ 3.43</u>   |

## Consolidated Statement of Earnings Reinvested in the Business

Year ended December 31, 1978

|  | 1978             | 1977             |
|--|------------------|------------------|
|  | (thousands)      |                  |
| <b>Amount at Beginning of Year</b>                 |                  |                  |
| As previously reported                             | \$400,844        | \$381,686        |
| Adjustment of potash rehabilitation costs (Note 8) | 2,875            | 2,875            |
| As restated  | 397,969          | 378,811          |
| Net earnings                                       | 65,194           | 62,248           |
|  | <u>463,163</u>   | <u>441,059</u>   |
| <b>Deduct</b>                                      |                  |                  |
| Costs incurred on issue of preferred shares        | 272              | —                |
| <b>Dividends paid</b>                              |                  |                  |
| Preferred — Series A \$2.00 per share              | 4,000            | 4,000            |
| — Series C \$0.80 per share                        | 1,594            | —                |
| Common \$2.00 per share (1977 — \$2.30)            | 33,993           | 39,090           |
|  | <u>39,859</u>    | <u>43,090</u>    |
| <b>Amount at End of Year</b>                       | <u>\$423,304</u> | <u>\$397,969</u> |



# Consolidated Balance Sheet at December 31, 1978

| ASSETS   | 1978               | 1977               |
|--|--------------------|--------------------|
|  | (thousands)        |                    |
| <b>Current Assets</b>                                  |                    |                    |
| Cash and short-term investments                        | \$ 61,769          | \$ 44,026          |
| Accounts receivable                                    | 128,234            | 105,051            |
| Inventories (Note 2)                                   | 190,289            | 184,364            |
| Prepaid expenses                                       | 7,344              | 7,525              |
|  | <u>387,636</u>     | <u>340,966</u>     |
| <b>Investments (Note 3)</b>                            |                    |                    |
| Associated companies                                   | 67,142             | 47,986             |
| Other companies  | 80,314             | 81,650             |
|  | <u>147,456</u>     | <u>129,636</u>     |
| <b>Fixed Assets</b>                                    |                    |                    |
| Land, buildings and equipment                          | 782,827            | 747,808            |
| Less accumulated depreciation                          | 315,177            | 296,789            |
|  | <u>467,650</u>     | <u>451,019</u>     |
| Mineral properties and development                     | 171,548            | 186,276            |
| Less accumulated depletion                             | 74,901             | 80,437             |
|  | <u>96,647</u>      | <u>105,839</u>     |
|  | <u>564,297</u>     | <u>556,858</u>     |
| <b>Other Assets (Note 4)</b>                           | <u>13,521</u>      | <u>21,942</u>      |
|  | <u>\$1,112,910</u> | <u>\$1,049,402</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>            |                    |                    |
| <b>Current Liabilities</b>                             |                    |                    |
| Bank loans   | \$ 23,360          | \$ 25,410          |
| Notes payable to affiliated company                    | —                  | 23,000             |
| Accounts payable and accrued liabilities               | 107,838            | 92,720             |
| Income and resource taxes                              | 36,977             | 28,249             |
| Long-term debt due within one year                     | 18,808             | 13,354             |
|  | <u>186,983</u>     | <u>182,733</u>     |
| <b>Long-Term Debt (Note 5)</b>                         | <u>234,894</u>     | <u>249,483</u>     |
| <b>Income Taxes Provided but not Currently Payable</b> | <u>91,586</u>      | <u>84,158</u>      |
| <b>Minority Interests</b>                              | <u>42,370</u>      | <u>51,346</u>      |
| <b>Shareholders' Equity</b>                            |                    |                    |
| Capital (Note 6)                                       | 133,773            | 83,713             |
| Earnings reinvested in the business                    | 423,304            | 397,969            |
|  | <u>557,077</u>     | <u>481,682</u>     |
| <b>Commitments and Contingent Liabilities (Note 9)</b> |                    |                    |
|  | <u>\$1,112,910</u> | <u>\$1,049,402</u> |

Approved by the Board:

*John D. Cobb*

Director

*W. W. Smith*

Director



# Consolidated Statement of Changes in Financial Position

Year ended December 31, 1978

1978

1977

(thousands)

## Source of Funds

|   |                  |                  |
|---|------------------|------------------|
| Funds provided from operations  | \$139,857        | \$135,574        |
| Proceeds from disposal of land, buildings,<br>equipment and investments | 4,951            | 1,412            |
| Additional long-term debt   | 4,250            | 9,672            |
| Proceeds from issue of share capital                                    |                  |                  |
| — preferred   | 50,000           | —                |
| — common  | 60               | 135              |
| Proceeds from settlement of potash flood claim                          | 7,800            | —                |
| Repayment of advances to an associated company                          | 5,600            | —                |
|   | <u>\$212,518</u> | <u>\$146,793</u> |

## Application of Funds

|   |                  |                  |
|---|------------------|------------------|
| Investment in associated companies  | \$ 10,265        | \$ —             |
| Investment in other companies   | 772              | 37,840           |
| Land, buildings and equipment   | 66,636           | 59,840           |
| Mineral properties and development  | 20,801           | 21,009           |
| Repayments on long-term debt  | 18,839           | 13,693           |
| Dividends — to shareholders   | 39,587           | 43,090           |
| — to minority shareholders of subsidiary companies                              | 2,661            | 4,129            |
| Working capital of Aberfoyle Limited removed from<br>the consolidation (Note 3) | 6,967            | —                |
| Other   | 3,570            | 11,186           |
|   | <u>170,098</u>   | <u>190,787</u>   |
| Change in Working Capital   | 42,420           | (43,994)         |
|   | <u>\$212,518</u> | <u>\$146,793</u> |

THORNE RIDDELL & CO.

## Auditors' Report

CHARTERED ACCOUNTANTS

To the Shareholders of  
Cominco Ltd.

We have examined the consolidated balance sheet of Cominco Ltd. as at December 31, 1978 and the consolidated statements of earnings, earnings reinvested in the business and changes in financial position for the year then ended. We also examined the statement of segmented information as at December 31, 1978 and for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1978 and the results of its operations and the changes in its financial position for the year then ended, and the statement of segmented information presents fairly the information set forth therein, all in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Thorne Riddell & Co.*

Chartered Accountants

Vancouver, Canada  
February 7, 1979



# Statement of Segmented Information

Year ended December 31, 1978  
(millions)

## By Industry Segment

|   | Energy and<br>Metals | Mining<br>Operations | Petroleum | Fertilizers &<br>Chemicals | Dairy<br>Operations | Undeveloped<br>Properties | Construction<br>Services |
|---|----------------------|----------------------|-----------|----------------------------|---------------------|---------------------------|--------------------------|
| Revenue   |                      |                      |           |                            |                     |                           |                          |
| Sales to external<br>customers                            | \$375.0              | \$139.9              | \$41.6    | \$229.0                    | \$115.7             | \$ —                      | \$ —                     |
| Inter-segment sales                                       | 30.7                 | 52.0                 | —         | 0.1                        | 0.5                 | —                         | (81.3)                   |
|   | 405.7                | 191.9                | 41.6      | 229.1                      | 116.2               | —                         | (81.3)                   |
| Income from investments                                   | —                    | 0.8                  | —         | —                          | 0.1                 | 8.1                       | —                        |
|   | 405.7                | 192.7                | 41.6      | 229.1                      | 116.3               | 8.1                       | (81.3)                   |
| Costs and Expenses  |                      |                      |           |                            |                     |                           |                          |
| Operating costs   | 340.2                | 119.2                | 28.8      | 187.8                      | 102.6               | 11.5                      | (81.3)                   |
| General mineral exploration                               | —                    | 0.3                  | —         | —                          | 0.3                 | 8.3                       | —                        |
| Long-term debt interest<br>and expense                    | —                    | 1.4                  | —         | 0.8                        | 2.4                 | 20.9                      | —                        |
| Depreciation, depletion<br>and amortization               | 7.7                  | 14.6                 | 4.7       | 18.4                       | 7.7                 | 11.6                      | —                        |
|   | 347.9                | 135.5                | 33.5      | 207.0                      | 113.0               | 50.3                      | (81.3)                   |
|   | 57.8                 | 57.2                 | 8.1       | 22.1                       | 3.3                 | (44.2)                    | (2.0)                    |
| Income and resource taxes                                 | 22.1                 | 20.9                 | 9.9       | 9.2                        | 1.7                 | (16.7)                    | (0.9)                    |
|   | 35.7                 | 36.3                 | (1.8)     | 12.0                       | 1.6                 | (27.5)                    | (1.1)                    |
| Equity in net earnings of<br>associated companies         | —                    | 8.0                  | —         | —                          | 3.5                 | —                         | —                        |
| Gain (loss) on translation                                | —                    | (0.9)                | —         | —                          | 0.5                 | 3.9                       | —                        |
| Minority interest   | —                    | (6.2)                | —         | —                          | (0.2)               | —                         | 0.3                      |
| Net Earnings Before<br>Extraordinary Item                 | \$ 35.7              | \$ 35.6              | \$ (1.8)  | \$ 12.0                    | \$ 5.4              | \$ (23.5)                 | \$ (0.8)                 |
| Identifiable Operating<br>Assets                          | \$181.8              | \$228.7              | \$83.3    | \$250.1                    | \$146.0             | \$61.3                    | \$ (23.4)                |
| Undeveloped properties<br>and construction in<br>progress | \$ 25.5              | \$ 45.5              | —         | \$ 0.0                     | \$ 5.7              | \$38.7                    | —                        |
| Investment in other<br>companies and<br>other assets      | —                    | —                    | —         | —                          | —                   | —                         | —                        |
| Total Assets  |                      |                      |           |                            |                     |                           |                          |
| Capital Expenditures                                      | \$ 34.2              | \$ 18.7              | \$ 0.9    | \$ 5.8                     | \$ 13.7             | \$14.1                    | —                        |

## Consolidated

1978

## By Geographic Region

| Canada | United States | Other Countries | Consolidation Eliminations |
|--------|---------------|-----------------|----------------------------|
|--------|---------------|-----------------|----------------------------|

|           |         |         |          |          |
|-----------|---------|---------|----------|----------|
| \$901.2   | \$613.2 | \$238.6 | \$ 49.4  | \$ —     |
| —         | 81.9    | 8.6     | —        | (90.5)   |
| 901.2     | 695.1   | 247.2   | 49.4     | (90.5)   |
| 7.0       | 4.0     | 2.8     | 0.2      | —        |
| 908.2     | 699.1   | 250.0   | 49.6     | (90.5)   |
| 708.8     | 557.1   | 203.9   | 38.1     | (90.3)   |
| 6.9       | 5.1     | 0.9     | 0.9      | —        |
| 25.5      | 23.3    | 0.9     | 1.3      | —        |
| 64.7      | 48.2    | 10.1    | 6.4      | —        |
| 805.9     | 633.7   | 215.8   | 46.7     | (90.3)   |
| 102.3     | 65.4    | 34.2    | 2.9      | (0.2)    |
| 46.2      | 30.3    | 13.5    | 2.4      | —        |
| 56.1      | 35.1    | 20.7    | 0.5      | (0.2)    |
| 9.5       | 9.4     | —       | 0.1      | —        |
| 3.5       | —       | 4.3     | (0.6)    | (0.2)    |
| (6.1)     | (4.3)   | (0.3)   | (1.5)    | —        |
| \$ 63.0   | \$ 40.2 | \$ 24.7 | \$ (1.5) | \$ (0.4) |
| \$907.8   | \$634.9 | \$144.0 | \$136.1  | \$ (7.2) |
| 111.3     | \$ 94.1 | \$ 15.7 | \$ 1.5   | —        |
| 93.8      |         |         |          |          |
| \$1,112.9 |         |         |          |          |
| \$ 87.4   | \$ 71.5 | \$ 12.2 | \$ 3.7   | —        |

## Notes to the Statement of Segmented Information

Year ended December 31, 1978

1. The Company operates in five industry segments:

Integrated Metals — a vertically integrated mining, smelting and refining operation producing principally refined zinc, lead and silver;

Mining Operations — principally lead, zinc, gold, tin and coal;

Potash Mining — potash;

Fertilizers & Chemicals — principally ammonia, urea, phosphates, nitrates and sulphuric acid;

Other Operations — principally metal products and electric power distribution.

2. Inter-segment sales are accounted for at prices which approximate market.

3. Unallocated Corporate;

Certain investment income and corporate expenditures relating to the overall direction and management of the Company's activities are not allocated to operations.



# Notes to Consolidated Financial Statements

Year ended December 31, 1978

## 1. Accounting Policies

The significant accounting policies followed by the Company and its subsidiary companies are summarized under the caption "Summary of Significant Accounting Policies" on page 10.

## 2. Inventories

|   | 1978             | 1977             |
|---|------------------|------------------|
|   | (thousands)      |                  |
| Finished goods                                  | \$103,558        | \$111,069        |
| Raw materials and partially processed materials | 46,260           | 32,934           |
| Stores and operating supplies                   | 40,471           | 40,361           |
|   | <u>\$190,289</u> | <u>\$184,364</u> |

## 3. Investments

|                                  | 1978             | 1977             |
|----------------------------------|------------------|------------------|
|                                  | (thousands)      |                  |
| Associated companies:            |                  |                  |
| Shares at cost                   | \$ 51,943        | \$ 29,875        |
| Equity in undistributed earnings | 15,199           | 12,511           |
|                                  | 67,142           | 42,386           |
| Advances                         | —                | 5,600            |
|                                  | <u>\$ 67,142</u> | <u>\$ 47,986</u> |

In 1978 Aberfoyle Limited, a subsidiary of the Company in Australia, issued shares to acquire the minority interests in a company which it controlled. This reduced the Company's interest in Aberfoyle Limited to 45%, so that it ceased to be a subsidiary. Accordingly, the Australian companies, which were included in the consolidation in 1977, have been treated as associated companies for the full year 1978.

## Other companies:

|  | 1978            | 1977            |
|--|-----------------|-----------------|
|  | (thousands)     |                 |
| Shares at cost   |                 |                 |
| Bethlehem Copper Corporation (39.2% owned)                     | \$41,313        | \$41,310        |
| Panarctic Oils Ltd. (8.2% owned; 1977 — 8.8%)                  | 18,391          | 17,740          |
| Tara Exploration and Development Company Limited (17.4% owned) | 26,903          | 26,903          |
| Other companies  |                 |                 |
| Quoted market value (1978 — \$1,507,000) (1977 — \$1,695,000)  | 2,338           | 2,707           |
| No quoted market value   | 2,548           | 2,581           |
| Other  | 485             | 389             |
|  | <u>91,978</u>   | <u>91,630</u>   |
| Less accumulated depletion of mineral investments              | 11,664          | 9,980           |
|  | <u>\$80,314</u> | <u>\$81,650</u> |

## 4. Other Assets

|  | 1978            | 1977            |
|--|-----------------|-----------------|
|  | (thousands)     |                 |
| Potash mine rehabilitation costs (Note 8)                    | \$ —            | \$ 7,800        |
| Mortgage receivable (Note 7)                                 | 3,150           | —               |
| Deferred costs, less amounts amortized                       |                 |                 |
| — Debt financing costs                                       | 2,923           | 3,181           |
| — Pre-production costs relating to new fertilizer facilities | 4,235           | 8,491           |
| Other  | 3,213           | 2,470           |
|  | <u>\$13,521</u> | <u>\$21,942</u> |

5. Long-term Debt (excluding amount due within one year)

1978 1977  
(thousands)

Companies in Canada:

Cominco Ltd.

|  |           |           |
|--|-----------|-----------|
| 10% Serial Notes due 1982 to 1996, U.S. \$50,000,000                               | \$ 49,224 | \$ 49,224 |
| 8½% Sinking Fund debentures due 1991   | 58,952    | 61,740    |
| 10½% Sinking Fund debentures due 1995  | 60,000    | 60,000    |
| Bank loan due 1980 to 1983 with interest related to the Canadian prime bank rate   | 21,000    | 25,000    |
| Export Import Bank of the United States 8% loan due 1980 to 1985, U.S. \$8,388,000 | 8,353     | 9,872     |

West Kootenay Power and Light Company, Limited

|   |        |        |
|---|--------|--------|
| 5¾% First Mortgage bonds due 1985                               | 6,458  | 6,725  |
| Bank loan due 1980 bearing interest at ½% above prime bank rate | 22,200 | 18,300 |
| Other Companies   | 499    | 152    |

Company in United States:

Cominco American Incorporated

|   |       |       |
|---|-------|-------|
| 5½% and 6¾% Notes due 1980                  |       |       |
| U.S. \$900,000                              | 972   | 2,592 |
| 7% Notes due 1980 to 1984, U.S. \$6,700,000 | 7,236 | 8,672 |

Company in Denmark:

|             |                  |                  |
|-------------|------------------|------------------|
| Greenex A/S | —                | 7,206            |
|             | <u>\$234,894</u> | <u>\$249,483</u> |

Payments due in 1979 \$18,808,000; 1980 \$30,928,000; 1981 \$11,834,000; 1982 \$15,115,000; 1983 \$15,111,000.

If translated into Canadian dollars at year-end rates of exchange, long-term debt would increase by \$12,476,000 in 1978 and \$7,297,000 in 1977. This is not necessarily indicative of the amounts which will be repaid when the obligations are retired.

6. Capital

a) Authorized:

Preferred —

8,000,000 Preferred Shares with the par value of \$25 each issuable in series.

Common —

30,000,000 shares of no par value.

1978 1977

b) Issued and fully paid: (thousands)

Preferred —

2,000,000 — \$2.00

Tax Deferred Exchangeable Shares

Series A \$ 50,000 \$ 50,000

2,000,000 — Floating Rate Preferred

Shares Series C 50,000 —

Common —

16,999,353 shares

(1977 — 16,997,053) 33,773 33,713

\$133,773 \$ 83,713

c) Preferred Shares:

The Company has constituted the following Preferred Shares:

2,000,000 shares as "\$2.00 Tax Deferred Exchangeable Preferred Shares Series A"

2,000,000 shares as "\$2.4375 Preferred Shares Series B"

2,000,000 shares as "Floating Rate Preferred Shares Series C"

Each Series A Preferred Share is entitled to a fixed cumulative cash dividend of \$2.00 per annum payable semi-annually. The Series A Shares are exchangeable into Series B Preferred Shares after June 1, 1988. Each Series C Preferred Share is entitled to a cumulative cash dividend which is related to the prime rate of interest charged by certain Canadian banks, adjusted quarterly and payable semi-annually. The Series C Shares have a par value of \$25 and the holder may call for retraction on March 31, 1988.



d) Shares issued during the year for cash:

|                                     |                     |
|-------------------------------------|---------------------|
| Preferred —                         |                     |
| 2,000,000 Floating Rate Preferred   |                     |
| Shares Series C . . . . .           | \$50,000,000        |
| Common —                            |                     |
| 2,300 Shares (Note 6(e) ) . . . . . | 60,000              |
|                                     | <u>\$50,060,000</u> |

e) The Company has reserved 200,000 Common Shares for stock option plans in favour of certain executives in the full-time employment of the Company or a subsidiary. To December 31, 1978, options (exercisable within five years of issue) have been granted for 118,250 shares at 90% of the market price on the day of granting the options.

Outstanding options are as follows:

| Granted | Price   | Outstanding<br>Dec. 31, 1978 | Exercised<br>in 1978 |
|---------|---------|------------------------------|----------------------|
| 1974    | \$25.42 | 5,500                        | 1,300                |
| 1975    | 27.45   | 12,900                       | 1,000                |
| 1976    | 34.99   | 20,700                       | —                    |
| 1977    | 32.63   | 21,200                       | —                    |
| 1978    | 24.41   | 24,375                       | —                    |
|         |         | <u>84,675</u>                | <u>2,300</u>         |

7. Extraordinary Item

During the year a subsidiary company, Pacific Coast Terminals Co. Ltd., sold its New Westminster, B.C. terminal site for \$4,750,000. Consideration was cash \$1,600,000 and a mortgage receivable in 1981 \$3,150,000. The Company's share of the net profit resulting from the sale is included as an extraordinary item.

8. Prior Period Adjustment

The claim against the contractors for the 1970 flooding of the potash mine was settled out of court during the year for \$7,800,000. The difference between the amount previously carried in the accounts and the settlement has been charged to retained earnings as a prior period adjustment and the accounts affected have been restated for 1977.

9. Commitments and Contingent Liabilities

a) The Company and its subsidiaries have pension plans covering substantially all employees. Pension costs for current service are charged to earnings in the year incurred. The liability for past service is being funded and charged to earnings over varying periods up to 15 years. The date of the most recent actuarial evaluation for most pension plans is December 31, 1977. At December 31, 1978, actuarial estimates of the unfunded liability for past service amount to \$70,000,000 of which \$60,000,000 remains to be charged to earnings, \$10,000,000 having been charged to earnings by provisions in prior years. The vested portion of the unfunded liability for past service is \$62,000,000.

Total pension expense including past service costs was \$16,156,000 for 1978 and \$13,427,000 for 1977.

b) At December 31, 1978, guarantees and commitments were as follows: Guarantees \$37,200,000 of which \$23,600,000 was for bank loans of an associated company.

Unexpended amounts remaining on approved major capital projects \$182,000,000.

10. Directors' and Officers' Remuneration

In 1978, total remuneration of \$114,000 was paid to fourteen (all) directors and \$1,249,000 to eighteen (all) officers of the Company, including relatively insignificant amounts paid to them by subsidiaries. There were five officers who were also directors.

## Principal Subsidiaries and Associated Companies

|  | Cominco<br>Ownership |  | Head Office                               |
|--|----------------------|--|---|
| Arvik Mines Ltd.   | 75%                  | R. P. Douglas<br><i>President and Chief Executive Officer</i>              | Yellowknife<br>N.W.T.                     |
| The Canada Metal Company Limited                           | 50%                  | D. F. Hutton<br><i>President and Chief Executive Officer</i>               | Toronto<br>Ontario                        |
| Cominco American Incorporated                              | 100%                 | J. C. MacLean<br><i>Chairman and Chief Executive Officer</i>               | Spokane<br>Washington, U.S.A.             |
| Cominco Australian Pty. Ltd.                               | 100%                 | G. N. Moore<br><i>Chairman</i>   | Sydney<br>Australia                       |
| Aberfoyle Limited  | 45%                  | N. A. Gilberthorpe<br><i>Managing Director</i>                             | Melbourne<br>Australia                    |
| Cominco Binani Zinc Limited                                | 40%                  | G. Binani<br><i>Chairman</i>   | Calcutta<br>India                         |
| Cominco Holdings N.V.                                      | 100%                 | J. C. Beck<br>A. J. van der Marel<br><i>Managing Directors</i>             | Amsterdam<br>Netherlands                  |
| Cominco Europe Limited                                     | 100%                 | P. Hansen<br><i>President and Chief Executive Officer</i>                  | London<br>England                         |
| Cominco S.A.   | 100%                 | S. J. Pedley<br><i>Managing Director</i>                                   | Brussels<br>Belgium                       |
| Exploración Minera Internacional<br>España S.A. (Exminesa) | 47%                  | F. Raynes<br><i>Managing Director</i>                                      | Madrid<br>Spain                           |
| Cominco GmbH   | 100%                 | R. J. Arend<br><i>Managing Director</i>                                    | Dusseldorf<br>Federal Republic of Germany |
| Cominco (U.K.) Limited                                     | 100%                 | D. M. Silver<br><i>Managing Director</i>                                   | London<br>England                         |
| Mazak Limited  | 50%                  | R. P. Wilson<br><i>Chairman and Managing Director</i>                      | Bristol<br>England                        |
| Fording Coal Limited                                       | 40%                  | J. H. Morrish<br><i>President and Chief Executive Officer</i>              | Calgary<br>Alberta                        |
| Mitsubishi Cominco Smelting Company Limited                | 45%                  | T. Nagano<br><i>President</i>  | Tokyo<br>Japan                            |
| National Hardware Specialties Limited                      | 99%                  | W. R. Schiffrs<br><i>President and General Manager</i>                     | Dresden<br>Ontario                        |
| Pacific Coast Terminals Co. Ltd.                           | 78%                  | W. W. Brown<br><i>President and Chief Executive Officer</i>                | New Westminster<br>British Columbia       |
| Pine Point Mines Limited                                   | 69%                  | R. P. Douglas<br><i>President and Chief Executive Officer</i>              | Pine Point<br>N.W.T.                      |
| Valley Copper Mines Limited (N.P.L.)                       | 82%                  | S. M. Rothman<br><i>President</i>  | Trail<br>British Columbia                 |
| Vestgron Mines Limited                                     | 63%                  | O. E. Owens<br><i>President</i>  | Yellowknife<br>N.W.T.                     |
| Greenex A/S  | 63%                  | E. Sprunk-Jansen<br><i>Managing Director</i>                               | Umanak<br>Greenland                       |
| Western Canada Steel Limited                               | 100%                 | M. C. D. Hobbs<br><i>Chairman and Chief Executive Officer</i>              | Vancouver<br>British Columbia             |
| Hawaiian Western Steel Limited                             | 51%                  | G. W. Hogue<br><i>General Manager</i>                                      | Ewa<br>Hawaii                             |
| West Kootenay Power and<br>Light Company, Limited          | Common<br>Preferred  | 100%<br>30%<br>H. M. Lewis<br><i>President and Chief Executive Officer</i> | Trail<br>British Columbia                 |



## Principal Offices

|                            |   |
|----------------------------|---|
| <b>Head Office</b>         | 200 Granville Street,<br>Vancouver, British Columbia V6C 2R2  |
| <b>Group Offices</b>       | Canada<br>Vancouver, British Columbia<br>Trail, British Columbia<br>Calgary, Alberta<br>Yellowknife, Northwest Territories<br><br>Europe<br>London, England |
| <b>Research Centres</b>    | Trail, British Columbia<br>Sheridan Park, Ontario   |
| <b>Sales Offices</b>       |   |
| CANADA                     | Cominco Ltd.<br>Vancouver, British Columbia<br>Toronto, Ontario<br>Calgary, Alberta<br>Winnipeg, Manitoba   |
| U.S.A.                     | Cominco American Incorporated<br>Spokane, Washington<br>Chicago, Illinois<br>Fargo, North Dakota<br>Minneapolis, Minnesota<br>Lincoln, Nebraska             |
| EUROPE                     | Cominco (U.K.) Limited<br>London, England<br>Manchester, England<br>Glasgow, Scotland<br><br>Cominco GmbH<br>Dusseldorf, Federal Republic of Germany        |
| <b>Exploration Offices</b> |   |
| CANADA                     | Cominco Ltd.<br>Vancouver, British Columbia<br>Toronto, Ontario   |
| U.S.A.                     | Cominco American Incorporated<br>Spokane, Washington  |
| EUROPE                     | Cominco S.A.<br>Brussels, Belgium<br><br>Cominco France S.A.<br>Paris, France<br><br>Cominco Italia SpA<br>Rome, Italy                                      |
| AUSTRALIA                  | Aberfoyle Limited<br>Melbourne  |
| MEXICO                     | Compañía Minera Constelación S.A. de C.V.<br>Mexico City  |
| BRAZIL                     | Mineração Cominco Ltda.<br>Rio de Janeiro   |

## Operating Mines

Aberfoyle — Tasmania  
Ardlethan — New South Wales  
Black Angel — Greenland  
Cleveland — Tasmania  
Con — Northwest Territories  
Fording Coal — British Columbia  
Magmont — Missouri  
Pine Point — Northwest Territories  
Rubiales — Spain  
Sullivan — British Columbia  
Vade — Saskatchewan  
Warm Springs — Montana

## Metal Production

Cominco Ltd. — British Columbia  
Cominco Binani Zinc Limited — India  
Hawaiian Western Steel Limited — Hawaii  
Mazak Limited — England  
Mitsubishi Cominco Smelting Company Limited — Japan  
Western Canada Steel Limited — British Columbia; Alberta

## Metal Fabrication

The Canada Metal Company Limited  
Quebec  
Ontario  
Manitoba  
Alberta  
British Columbia  
Cominco American Incorporated — Washington  
National Hardware Specialties Limited — Ontario  
Western Canada Steel — British Columbia

## Chemical and Fertilizer Production

Cominco Ltd. — British Columbia; Alberta  
Cominco American Incorporated — Nebraska; Texas  
Cominco Binani Zinc Limited — India









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